

Message Text

CONFIDENTIAL

PAGE 01 NEW DE 12095 01 OF 02 111549Z

43

ACTION NEA-16

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 SWF-02 AID-20 IO-14 FDRE-00 EB-11 COME-00

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R 111352Z SEP 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3822

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

AMEMBASSY DACCA

AMEMBASSY KATHMANDU

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 12095

E.O. 11652: GDS

TAGS: EGEN, EAGR, PINT, IN

SUBJ: THE POLITICS OF FOOD

SUMMARY: INDIA IS HEADING INTO A VERY TIGHT FOOD SITUATION. LOCAL AUTHORITIES IN MANY AREAS ARE DEPENDING ON LARGE SCALE FOOD SUPPLIES FROM THE CENTRAL GOVERNMENT TO PREVENT STARVATION AND VIOLENCE. THE CENTRAL GOVERNMENT DOESN'T HAVE MUCH FOOD ON HAND AND IS TRYING TO DOLE IT OUT WHERE AND WHEN STARVATION AND VIOLENCE THREATEN. IT IS PREPARED FOR VIOLENCE AND MAY BE EXPECTED TO DEAL WITH IT HARSHLY. KEEPING UP SUPPLIES TO LAST YEAR'S LEVELS WILL REQUIRE MORE IMPORTS OF FOODGRAINS THAN INDIAN CAN AFFORD. END SUMMARY.

1. WE'VE BEEN REPORTING THAT THINGS ARE TOUGH AND GETTING TOUGHER IN INDIA. THIS APPLIES TO THE FOOD SITUATION WITH SPECIAL FORCE. INDIA'S MASSES LIVE SO CLOSE TO THE MINIMUM UNDER THE BEST OF
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PAGE 02 NEW DE 12095 01 OF 02 111549Z

CIRCUMSTANCES THAT IT DOES NOT TAKE MUCH TO CAUSE AN INCREASE

IN STARVATION AND STARVATION RELATED DEATHS, AND DEPRESSING TALES OF PEOPLE EATING BARK AND TWIGS AND MICE AND RATS. PRESENT CIRCUMSTANCES ARE FAR FROM THE BEST. THIS YEAR'S MONSOON IS NOT A GOOD ONE OVER MOST OF INDIA. THE LAST TWO WEEKS HAVE SEEN A SERIOUS DETERIORATION IN THIS ALREADY BLEAK SITUATION. RAINFALL HAS BEEN SO POOR THAT VIRTUALLY EVERY REGION IN INDIA DURING THE FORTNIGHT FELL BELOW ITS SEASONAL NORM. WE'VE BEEN ESTIMATING TOTAL FOODGRAIN OUTPUT IN THE CURRENT 74/75 YEAR AT BETWEEN 100-105 MILLION TONS. UNLESS THE RAINS COME BACK PRETTY SOON, WE'RE GOING TO LOWER THIS RANGE TO PERHAPS 98-103 MILLION TONS. WITH NOT MUCH IN THE WAY OF STOCKS TO DRAW FROM, THERE ARE ONLY TWO WAYS FOR SUPPLY AND DISAPPEARANCE TO REMAIN EQUATED AT PAST LEVELS. ONE IS THROUGH HIGHER IMPORTS AND THE OTHER IS THROUGH LOWER CONSUMPTION. WE ARE ALREADY ESTIMATING THAT INDIA WILL REQUIRE IMPORTS OF 5-6 MILLION TONS THROUGH COMMERCIAL PURCHASES AND CONCESSIONAL SUPPLIES. UNLESS THE MONSOON PERKS UP AGAIN, THIS RANGE COULD RISE.

2. WITH THE AID OF THE THREE CONSULATES GENERAL WE HAVE BEEN LOOKING AROUND INDIA TO SEE WHAT'S HAPPENING DURING THE CURRENT CRISIS AND WHAT SEEMS TO LIE AHEAD. AS USUAL THE SITUATION SEEMS MOST FAVORABLE IN MOST PARTS OF THE SOUTH. THE SITUATION LOOKS GRIM IN MOST OF EASTERN, CENTRAL AND WESTERN INDIA. THE STATES OF WEST BENGAL, BIHAR, KERALA, GUJARAT AND MAHARASHTRA ARE ALREADY HEAVILY DEPENDENT ON DOLES FROM THE CENTER. THEIR DEMANDS WILL INCREASE. ON JULY 1, OFFICIAL STOCKS OF FOOD WERE APPROXIMATELY 4 MILLION TONS AS COMPARED WITH OVER DOUBLE THAT AS OF JULY 1972 WHEN INDIA LAST HAD TO COPE WITH A WEAK MONSOON. THE PRINCIPAL FOOD SURPLUS STATES OF PUNJAB AND HARYANA CONTRIBUTED OVER FOUR MILLION TONS OF FOODGRAINS TO THE CENTRAL POOL LAST YEAR. THIS YEAR THEY WILL NOT PROVIDE THREE MILLION TONS.

3. THERE IS EVEN DOUBT ABOUT HOW MUCH FOOD THERE REALLY IS AROUND. IT IS GENERALLY AGREED THAT FARMERS ARE HOARDING A LOT OF FOOD, BUT NOBODY KNOWS JUST HOW MUCH. ALTHOUGH ONLY AN EXTREME OPTIMIST (OR A GOVERNMENT FLACK), WOULD DARE CLAIM THERE IS ENOUGH HOARDED TO SOLVE THE PROBLEM, GETTING WHAT THERE IS AROUND INTO CONSUMER HANDS WOULD EASE THE SITUATION. THE SUREST WAY TO GET IT OUT WOULD BE TO RAISE THE PROCUREMENT PRICE TO THE POINT WHERE FARMERS WILLINGLY SELL. THAT WOULD BE EXPENSIVE AND BY REWARDING HOARDING

CONFIDENTIAL

PAGE 03 NEW DE 12095 01 OF 02 111549Z

WOULD BE POLITICALLY DISTASTEFUL. IT WOULD EITHER FURTHER UNBALANCE AN ALREADY BADLY UNBALANCED BUDGET OR WOULD PRICE FOOD OUT OF THE REACH OF THE POOR FOR WHOM THE "FAIR PRICE SHOPS" EXIST. DRACONIAN MEASURES TO GET OUT THE GRAINS FROM FARMERS SEEM DOOMED TO FAILURE. FOR ONE THING MASS COERCION IS NOT VERY EFFECTIVE IN INDIA, AND FOR ANOTHER (PERHAPS NOT SO OTHER AFTER ALL, THE CONGRESS PARTY SUPPORT STRUCTURE BOTH IN THE STATES AND THE CENTER DEPEND ON FINANCIAL AND OTHER SUPPORT

FROM THE WEALTHY FARMERS. HOW WHATEVER HOARDS EXIST WILL ULTIMATELY BE GOTTEN TO MARKET REMAINS TO BE SEEN. ONE THING THAT MIGHT HELP WILL BE THE APPEARANCE OF FRESHLY HARVESTED RICE IN QUANTITY STARTING IN LATE OCTOBER THIS FALL AND THE MODERATING EFFECT THAT WILL HAVE ON PRICE. HOWEVER, THIS WILL NECESSARILY START TO HAPPEN JUST AFTER THE WORST CRUNCH IN FOOD SUPPLY IN OCTOBER AND EVEN THEN CAN AT BEST ONLY EASE AND NOT SOLVE THE PROBLEM.

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PAGE 01 NEW DE 12095 02 OF 02 111519Z

43

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C O N F I D E N T I A L SECTION 2 OF 2 NEW DELHI 12095

4. THERE IS AN OCCASIONAL HYSTERICAL WARNING IN PARLIAMENT THAT UNLESS FOOD IS PROMPTLY GOTTEN TO FOOD DEFICIT STATES, REVOLUTION IS IMMINENT. THERE IS ALSO OCCASIONAL VIOLENCE THAT MIGHT BE CONSTRUED AS A FOOD RIOT. MOST COMMONLY, HOWEVER, THE PRESENT ATTITUDE IS A STRANGE COMPLACENCY AND FATALISM PRESUMABLY BRED OF INDIA'S LONG HISTORY OF ADVERSITY WHICH IT HAS SOMEHOW ALWAYS OVERCOME. A COMMON THEME ACCEPTS THAT THINGS ARE BAD THIS YEAR BUT THAT THE CENTER WILL PROVIDE ENOUGH FOOD TO KEEP THE PEACE.

THIS EXPECTATION OF SOLUTIONS OF PROBLEMS THROUGH HELP FROM OUTSIDE IS NAIVE IN THAT IT DOESN'T TAKE INTO ACCOUNT HOW LITTLE THE CENTER HAS TO DISTRIBUTE OR HOW CHANCY ARE THE PROSPECTS FOR GETTING SUFFICIENT QUANTITIES FROM ANY SOURCE TO MEET THE SUM OF EXPECTATIONS.

5. CENTRAL GOVERNMENT OFFICIALS SEEM TO BE AWARE OF THE GRAVITY OF THE PROBLEM THEY FACE, AND THE STRATEGY SEEMS TO BE TO DOLE OUT JUST ENOUGH STOCKS AT JUST THE RIGHT TIME AND JUST THE RIGHT
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PAGE 02 NEW DE 12095 02 OF 02 111519Z

PLACE TO FORESTALL OBVIOUS MASS STARVATION AND VIOLENCE. THIS MEANS MAINLY IN THE CITIES. THE RURAL POOR ARE LESS PRONE TO VIOLENCE AND ALSO PRESUMABLY HAVE BETTER ACCESS TO FOOD. HOW WELL THE GOVERNMENT CAN SUCCEED IN THIS DELICATE GAME OF WATERING DOWN THE BROTH TO KEEP SOMETHING IN ALL THE BOWLS REMAINS TO BE SEEN. THE AUTHORITIES HOPE THAT IN THE MAIN THEY CAN HEAD OFF VIOLENCE THROUGH CAREFULLY FOOD DISTRIBUTION, BUT IF THIS CAN'T ALWAYS BE DONE, THEY ARE FULLY PREPARED TO SUPPRESS VIOLENCE QUICKLY AND KEEP IT ISOLATED. IF FOOD RUNS TOO SHORT IN THE CITIES VIOLENCE BEYOND THAT WHICH INDIA HAS SEEN FOR A LONG TIME MAY OCCUR NO MATTER HOW STRONG THE DETERMINATION TO REPRESS IT.

6. UNLESS WE MISS OUR GUESS BADLY ON HOW MUCH FOOD IS AVAILABLE IN HOARDS IN INDIA, THE ATTEMPT TO FORESTALL STARVATION AND VIOLENCE CANNOT BE SUCCESSFUL ON WHAT IS AVAILABLE IN INDIA ALONG. IT MUST DEPEND ON LARGE SCALE IMPORTS, IN THE RANGE INDICATED ABOVE (PARA 1). SEVERAL MILLION TONS ARE IN THE PIPELINE, MAINLY IN THE HOLDS OF SHIPS AT SEA OR IN FOREIGN PORTS WAITING TO BE LOADED. THIS AMOUNT WILL BE HELPFUL OVER THE NEAR TERM, BUT IS CERTAINLY INADEQUATE TO ASSURE SUCCESS IN THIS MOST DELICATE GAME.

7. THE IMPLICATIONS OF THIS ARE PLAIN. NO ONE KNOWS JUST HOW MUCH RESILIENCE THERE IS IN THE INDIAN ECONOMIC AND SOCIAL STRUCTURE. EVERYONE ASSUMES IT TO BE CONSIDERABLE; IT PROBABLY IS. THE SYSTEM IS NOT GOING TO COLLAPSE JUST BECAUSE PEOPLE ARE GETTING HUNGRIER. BUT THE SUFFERING LEVEL WILL RISE UNLESS INDIA GETS HELP FROM OUTSIDE THIS YEAR IN FEEDING ITS PEOPLE. INDIA'S FOREIGN MONETARY RESERVES ARE AT THE RECORD LEVEL, THANKS IN PART TO DRAWINGS ON THE IMF, BUT EVEN SO IT CAN'T AFFORD TO BUY ALL OF ITS MINIMUM NEEDS ON THE COMMERCIAL MARKET.
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